REPORT ON EXAMINATION

OF

LONGEVITY HEALTH PLAN OF NEW YORK, INC.

AS OF DECEMBER 31, 2022

EXAMINERS:	**COLETTE M. HOGAN, CFE** **GAIL A. ROSS**
DATE OF REPORT	**JUNE 18, 2025**

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June 18, 2025

Honorable Adrienne A. Harris
Superintendent of Financial Services
Albany, New York 12257

Madam:

Pursuant to the requirements of the New York Insurance Law and the New York Public Health Law, and acting in accordance with the instructions contained in Appointment Number 32315, dated December 1, 2022, attached hereto, we have made an examination into the condition and affairs of Longevity Health Plan of New York, Inc., a for-profit health maintenance organization certified pursuant to the provisions of Article 44 of the Public Health Law, as of December 31, 2022. The following report is respectfully submitted thereon.

The examination was conducted remotely.

Wherever the designations "HMO" or "LHPNY" appears herein, without qualification, they should be understood to indicate Longevity Health Plan of New York, Inc.

Wherever the designation the "Department" appears herein, without qualification, it should be understood to indicate the New York State Department of Financial Services.

A separate market conduct examination was conducted as of December 31, 2022 to review the manner in which the HMO conducted its business practices and fulfilled its obligations to policyholders and claimants. A separate report thereon will be submitted.

1. SCOPE OF THE EXAMINATION

This is the first financial examination of Longevity Health Plan of New York, Inc. as defined in the National Association of Insurance Commissioners ("NAIC") *Financial Condition Examiners Handbook, 2023 Edition* (the "Handbook") and covered the period from inception, April 26, 2018, through December 31, 2022. The examination was conducted observing the guidelines and procedures in the Handbook. Where deemed appropriate by the examiners, transactions occurring subsequent to December 31, 2022 were also reviewed.

The examination was conducted on a risk-focused basis in accordance with the provisions of the Handbook, which provides guidance for the establishment of an examination plan based on the examiners' assessment of risk in LHPNY's operations and utilizes that evaluation in formulating the nature and extent of the examination. The examiners planned and performed the examination to evaluate LHPNY's current financial condition, as well as to identify prospective risks that may threaten the future solvency of the HMO.

The examiners identified key processes, assessed the risks within those processes and assessed the internal control systems and procedures used to mitigate those risks. The examination also included an assessment of the principles used and significant estimates made by management and an evaluation of the overall financial statement presentation, and determined management's compliance with the Department's statutes and guidelines, Statutory Accounting Principles, as adopted by the Department, and NAIC annual statement instructions.

Information concerning the HMO's organizational structure, business approach and control environment was utilized to develop the examination approach. The examination evaluated

LHPNY's risks and management activities in accordance with the NAIC's nine branded risk categories. These categories are as follows:

- Pricing / Underwriting
- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity
- Legal
- Reputational

The examination also evaluated the LHPNY's critical risk categories in accordance with the NAIC's ten critical risk categories. These categories are as follows:

- Valuation / Impairment of Complex or Subjectively Valued Invested Assets
- Liquidity Considerations
- Appropriateness of Investment Portfolio and Strategy
- Appropriateness / Adequacy of Reinsurance Program
- Reinsurance Reporting and Collectability
- Underwriting and Pricing Strategy / Quality
- Reserve Data
- Reserve Adequacy
- Related Party / Holding Company Considerations
- Capital Management

LHPNY was audited annually, for calendar years 2018 through 2022, by the accounting firm LBMC, PC ("LBMC"). LHPNY received an unmodified opinion in each of those years. Certain audit workpapers of LBMC were reviewed and relied upon in conjunction with this examination.

This examination was conducted as a coordinated examination. The examination was led

and facilitated by the State of New York with participation from the States of Florida, Illinois, Michigan, New Jersey, and North Carolina. Examination procedures were generally completed by New York as the lead state for the holding company group. The examination team representing the lead and participating states identified and assessed the risks for key functional activities across the group. The examination team also assessed the relevant prospective risks as they relate to the various insurance entities.

This report on examination is confined to financial statements and comments on those matters which involve departures from laws, regulations, or rules, or which are deemed to require an explanation or description.

2. DESCRIPTION OF THE HMO

LHPNY is a for-profit stock company that was incorporated in the State of New York on February 13, 2018. LHPNY received a Certificate of Authority ("Certificate"), effective April 26, 2018, from the New York Department of Health ("DOH") to operate as a health maintenance organization pursuant to Article 44 of the New York State Public Health Law. The Certificate empowered the HMO to enroll members covered under the Medicare Advantage Institutional Special Needs Plan ("I-SNP") program in New York State. The HMO's Medicare I-SNP business started on January 1, 2019.

The HMO provides managed health care services to I-SNP eligible members who qualify to receive Medicare. The I-SNP limits enrollment to Medicare patients who live or are expected to live in a long-term care facility for 90 days or longer and who meet an institutional level of care. The HMO also received authorization from the Centers for Medicare and Medicaid Services ("CMS") to operate as an I-SNP Plan to its members. I-SNPs were created by the United States

Congress within the Medicare Modernization Act of 2003 as a new type of Medicare managed care plan which focuses on certain groups of Medicare beneficiaries: the institutionalized, Medicare eligible and beneficiaries with severe or disabling chronic conditions.

A. Corporate Governance

Pursuant to the HMO's by-laws, the Board of Directors ("Board") of the HMO shall not be less than three (3) nor more than nine (9) members. As of December 31, 2022, the Directors of the HMO were as follows:

Name and Residence	Principal Business Affiliation
Leslie S. Granow Florida	Chief Financial Officer Longevity Health Founders, LLC and LHP MSO, LLC
René Lerer Florida	Chief Executive Officer Longevity Health Founders, LLC and LHP MSO, LLC
Charles Lin New York	Director of Sales LHP MSO, LLC

The examiners reviewed minutes of all meetings of the Board and committees held during the examination period. The HMO's by-laws require that the Board meet at least quarterly. The HMO's Board met five (5) times during the examination period; however, the first meeting was not held until December 29, 2021. The HMO did not comply with its by-laws requirement to meet at least quarterly prior to December 29, 2021.

It is recommended that the HMO comply with its by-Laws and have Board meetings at least quarterly.

The review of the minutes of the Board meetings held during 2022 and 2023 were well

attended, with all members attending at least one-half of the meetings they were eligible to attend.

Article II Section 2.1 Annual Meeting of the HMO's by-laws states, in part:

> "*The shareholders shall hold an annual meeting for the election of directors and the transaction of such other business as may properly come before the meeting. The meeting shall be held within the first quarter of each fiscal year at a time and place within or without the State of New York as specified by the Board of Directors*."

The HMO was not in compliance with Article II Section 2.1 as no evidence was provided that the shareholders elected directors annually within the first quarter of each fiscal year during the examination period, other than on May 3, 2021.

It is recommended that the HMO comply with Article II Section 2.1 of its by-laws by holding annual meetings to elect its directors.

As of December 31, 2022, the principal officers of the HMO were as follows:

Name	Title
Leslie S. Granow	Chief Executive Officer and President
Xueying Zhai	Chief Financial Officer and Treasurer
Brendan T. Rager	Secretary

Article IV Section 4.1of the HMO's by-laws states, in part:

> "*At the annual meeting of the Board of Directors, the Board of Directors shall elect such officers as may be necessary to enable the Corporation to sign instruments which comply with the Business Corporation Law of the State of New York. Officers may include a President, a Chief Financial Officer, one (1) or more Vice Presidents, a Secretary, and other officers*."

The HMO was not in compliance with Article IV Section 4.1 of its by-laws, as no evidence was provided that the Board elected officers annually during the examination period.

It is recommended the HMO comply with Article IV Section 4.1 of its by-laws and elect its officers on an annual basis.

Section 1411(a) of the New York Insurance Law states, in part:

> "No domestic insurer shall make any loan or investment…unless authorized or approved by its board of directors or a committee thereof responsible for supervising or making such investment or loan."

The examiners noted that there was no Board approval of investment transactions during the period April 26, 2018, through December 31, 2021. The Board approved the investment performance included in its quarterly Finance Report in 2022 but did not approve the investment transactions.

The HMO is directed to comply with Section 1411(a) of the New York Insurance Law by authorizing and approving all investment transactions.

On December 29, 2021, by written consent, the Board adopted and approved the LHPNY Investment Policy Statement, effective December 1, 2021.

The LHPNY Investment Policy Statement states, in part:

> "…*the Board is required to approve the investment plan on an annual basis or at the point of any adjustment*."

It should be noted that with the exception of the original approval, no evidence was found, in the meeting minutes, of an annual Board approval of the HMO's the investment policy.

It is recommended that the HMO comply with its policy requirements and approve its investment policy on an annual basis.

B. Territory and Plan of Operation

The HMO obtained its Certificate from DOH as a Medicare Advantage I-SNP on April 26, 2018. The Certificate allows the HMO to offer Medicare I-SNP in the following eight (8) counties in New York City:

Bronx	Kings	Nassau
New York	Queens	Richmond
Suffolk	Westchester	

The HMO reported Medicare Advantage I-SNP premiums written totaling $69,734,562 during the four-year period under examination, from inception April 26, 2018, through December 31, 2022. It should be noted that no premium was written in 2018. Below is a summary of the HMO's total written premiums by county during the examination period.

County	2019	2020	2021	2022	Total
Bronx	$2,508,549	$ 3,021,836	$ 4,767,672	$ 6,447,442	$16,745,499
Kings	2,288,235	12,063,070	11,465,236	12,774,632	38,591,173
Nassau	912,532	1,578,285	1,767,319	689,337	4,947,473
New York	75,620	1,537,786	2,506,449	2,293,649	6,413,504
Queens	311,987	696,249	1,119,205	992,041	3,119,482
Suffolk	0	0	25,730	28,280	54,010
*Other States	0	0	1,253	0	1,253
Total	$6,096,923	$18,897,226	$21,652,864	$23,225,381	$69,872,394
Reinsurance ceded	23,767	25,555	43,470	45,040	137,832
Total premiums	$6,073,156	$18,871,671	$21,609,394	$23,180,341	$69,734,562

Note: LHPNY is a New York plan only. The I-SNP policies are provided to members who qualify for participation within LHPNY's licensed service area based on each enrollee's county of residence. An immaterial amount of $1,253 in written premium was reported as Other States on Schedule 9 of the 2021 New York Supplement.

At December 31, 2022, the HMO had a total of 671 members. The HMO's membership increase / decrease, by number and percentage, during the examination period as follows:

Year	2019	2020	2021	2022
members	389	626	721	671
growth		60.9%	15.2%	(6.9)%

C. Stop-Loss Coverage

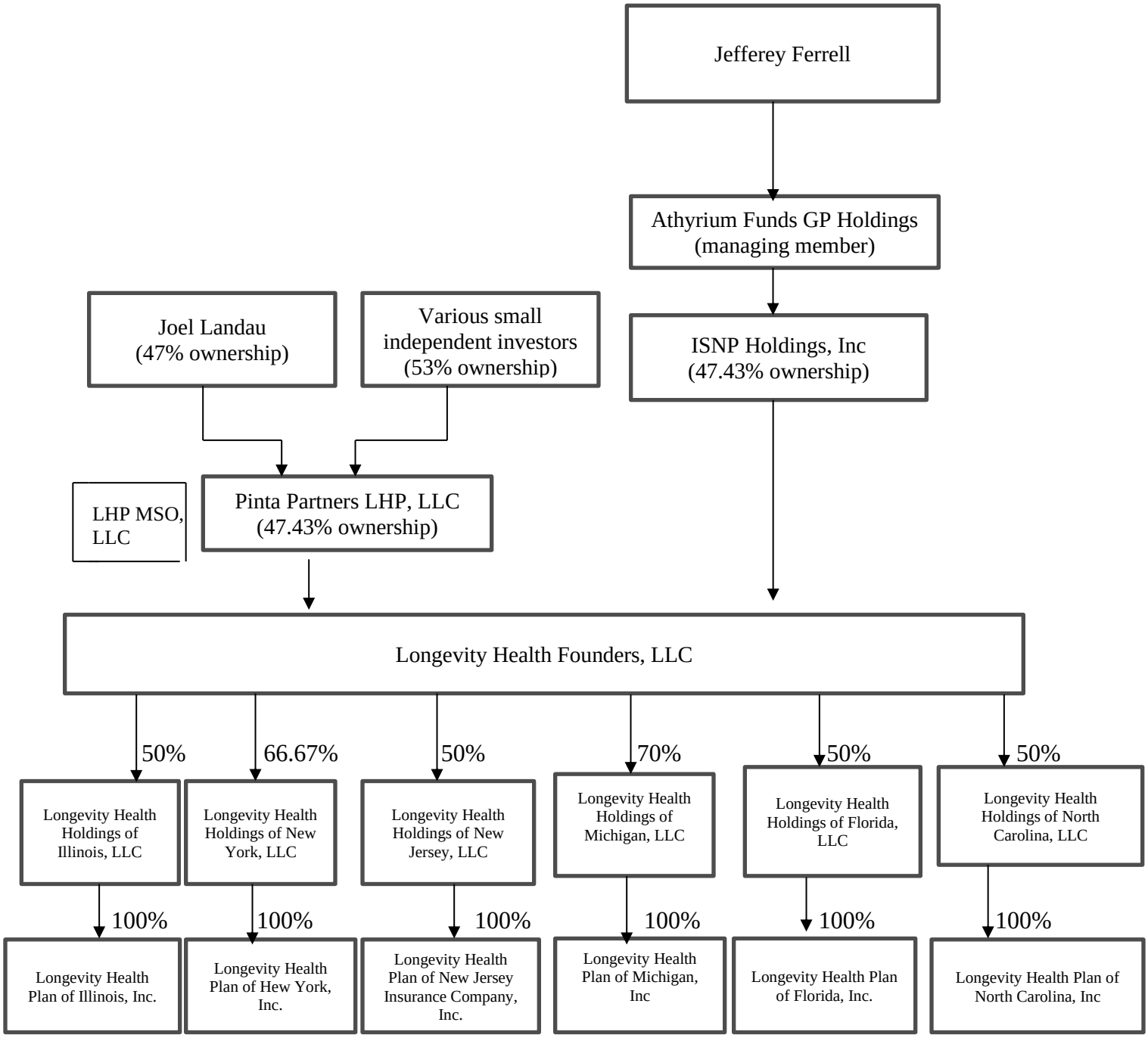
The HMO held stop-loss coverage with Odyssey Reinsurance Company, a New York authorized Reinsurer, as of December 31, 2022:

Type	Limits
Aggregate excess (one year)	90% of $1,000,000, excess of $250,000 per member, per contract year

The reinsurance agreement noted above contained the required clauses, including the insolvency clause, prescribed by Section 1308 of the New York Insurance Law.

D. Holding Company System

The following abbreviated organization chart, in part, depicts the HMO's reporting of the relationship with members of its holding company system as of December 31, 2022.



Note: Joel Landau owns 100% of the voting shares of Pinta Partners LHP, LLC ("Pinta"). Joel Landau, through his 47% ownership of Pinta, and Jeffrey Ferrell, the ultimate owner of ISNP Holdings, Inc., are the ultimate controlling persons of Longevity Health Founders.

Description of Ownership as of December 31, 2022

LHPNY, a New York corporation, is a wholly owned subsidiary of Longevity Health Holdings of New York, LLC ("LHHNY"), a Delaware company. LHHNY has 1,000,000 shares of common stock that are 100% of LHPNY's total issued and outstanding stock. As of December 31, 2022, Joel Landau and Jeffrey Ferrell were the ultimate controlling persons of LHPNY through their voting membership interests of upstream affiliates Pinta Partners LHP, LLC ("Pinta Partners") and Athyrium Funds GP Holdings, LLC, a Delaware limited liability company.

Joel Landau was the sole voting member of Pinta Partners, which held 47.43% of Longevity Health Founders, LLC ("LHF"), LHF held 66.7% of LHHNY. Jeffrey Ferrell was the managing member of Athyrium Funds GP Holdings, LLC, with 10% or more voting control. Athyrium Funds GP Holdings, LLC, in turn, was the managing member of Athyrium Opportunities Associates III GP LLC with 10% or more voting control. As of December 31, 2022, Athyrium Opportunities III Acquisition 2 LP ("AO III") held 50% of ISNP Holdings, Inc. and Athyrium Opportunities II Acquisition 2 LP ("AO II") held 50% of ISNP Holdings, Inc.

Intercompany Agreement

As of December 31, 2022, the HMO was a party to an intercompany Employee Lease and Management Agreement with LHP MSO, LLC.

LHPNY entered into an Employee Lease and Management Agreement with LHP MSO, LLC, ("LHP MSO"), which is a management services organization that provides centralized services and support to each I-SNP at cost. Under the terms of the agreement, LHP MSO provides services and functions for LHPNY, including individuals that serve as the executive officers of LHPNY. The agreement further states that LHP MSO shall furnish all employees to LHPNY as

necessary to support the operation of its business. This agreement was approved by DOH on November 30, 2021 effective retroactive to April 1, 2019. On November 30, 2021 the Department issued a non-objection letter.

On October 4, 2022, DOH approved a Renewal Amendment to the Employee Lease and Management Agreement effective January 1, 2023 for a contract term of five (5) years. The Department issued a non-objection letter October 21, 2022.

E. Significant Operating Ratios

The following ratios have been computed, as of December 31, 2022, based upon the results of this examination. The ratios presented below are on an earned-incurred basis and encompass the three-year period covered by this examination:

	Amount	Ratios
Claims	$61,747,269	88.55%
Claims adjustment expenses	3,847,174	5.52%
General administrative expenses	11,077,195	15.88%
Net underwriting loss	(6,937,076)	(9.95)%
Premiums earned	$69,734,562	100.00%

F. Enterprise Risk Management Function

Part 82.2(a) of Insurance Regulation No. 203 (11 NYCRR 82.2) states in part:

> "Pursuant to Insurance Law sections 1503(b), 1604(b), and 1717(b), an entity shall adopt a formal enterprise risk management function that identifies, assesses, monitors, and manages enterprise risk. Except as provided in subdivision (c) of this section, a domestic insurer that is not a member of a holding company system, an article 16 system, or an article 17 system also shall adopt such a formal enterprise risk management function. The enterprise risk management function shall be appropriate for the nature, scale, and complexity of the risk…"

It should be noted that the Plan did not have a formal ERM Program during the examination

period.

The HMO is directed to comply with Part 82.2(a) of Insurance Regulation No. 203 by adopting a formal Enterprise Risk Management function.

3. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, and capital and surplus as of December 31, 2022, as contained in the HMO's 2022 filed annual statement, a condensed summary of operations and a reconciliation of the capital and surplus account for each of the years under review. The examiners' review of a sample of transactions did not reveal any differences which materially affected the Plan's financial condition as presented in the financial statements contained in the December 31, 2022 filed annual statement.

Independent Accountants

LBMC, PC was retained by the HMO to audit the HMO's statutory basis financial statements of financial position as of December 31st for each of the years 2018 through 2022, and the related statutory-basis statements of operations, capital and surplus, and cash flows for the year then ended.

LBMC, PC concluded that the statutory financial statements were presented fairly, in all material respects, the financial position of the HMO at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

A. Balance Sheet

Assets	
Bonds	$ 4,991,882
Cash and short-term investments	3,652,410
Investment income due and accrued	12,278
Uncollected premiums and agents' balances in course of collection	220
Accrued retrospective premiums	2,259,875
Amounts recoverable from reinsurers	6,947
Amounts receivable relating to uninsured plans	634,371
Health care and other amounts receivable	141,361
Aggregate write-ins for other than invested assets	35
Total assets	$11,699,379

Liabilities	
Claims unpaid	$ 4,381,152
Accrued medical incentive pool and bonus amounts	43,911
Unpaid claims adjustment expenses	36,667
Premiums received in advance	185,997
General expenses due or accrued	328,059
Amounts due to parent, subsidiaries and affiliates	654,487
Liability for amounts held under uninsured plans	1,404,476
Total liabilities	$ 7,034,749

Capital and Surplus	
Common capital stock	$ 10,000
Gross paid-in and contributed surplus	11,598,670
Unassigned funds (surplus)	(6,944,040)
Total capital and surplus	$ 4,664,630
Total liabilities, capital and surplus	$11,699,379

Note: Although the Plan is subject to audits by the Internal Revenue Service ("IRS"), it has never undergone any IRS audits since its inception. The Plan is however exempt from New York State corporate income taxes. The examiner is unaware of any potential exposure to the Plan for any tax assessment and no liability has been established herein relative to such contingency

B. Statement of Revenue and Expenses and Changes in Capital and Surplus

Capital and surplus decreased $304,040 from inception April 26, 2018, through December 31, 2022, detailed as follows:

Revenue		
Premium	$69,734,562	
Total revenue		$ 69,734,562
Expenses		
Hospital / medical benefits	$49,137,109	
Other professional services	7,445,474	
Outside referrals		
Emergency room and out-of-area	329,747	
Prescription drugs	3,231,936	
Durable medical equipment	968,116	
Incentive pool, withhold adjustments and bonus amounts	641,834	
Net reinsurance recoveries	(6,947)	
Claims adjustment expenses	3,847,174	
General administrative expenses	11,077,195	
Total underwriting deductions		76,671,638
Net underwriting loss		$(6,937,076)
Net investment income earned		86,365
Net realized capital loss		(10,753)
Net loss		$(6,861,464)

Changes in Capital and Surplus

	Gains in Surplus	Losses in Surplus	
Capital and surplus as of inception, April 26, 2018			$4,968,670
Net income or (loss)		$6,861,464	
Change in nonadmitted assets		80,051	
Change capital: Paid in	$2,950,000		
Surplus adjustments: Paid in	3,690,000		
Aggregate write-ins for losses in surplus		2,525	
Net decrease in capital and surplus			(304,040)
Capital and surplus, per report on examination, as of December 31, 2022			$4,664,630

4. CLAIMS UNPAID AND CLAIMS ADJUSTMENT EXPENSES

The examination liability of $4,381,152 for the claims unpaid and $36,667 for the claims adjustment expense were the same as the amounts reported by the HMO in its filed December 31, 2022 annual statement.

The examination analysis of the unpaid claims and claims adjustment reserve was conducted in accordance with generally accepted actuarial principles and practices and was based on statistical information contained in the HMO's internal records and filed annual statements as verified during the examination. The examination reserve was based upon actual payments made through a point in time, plus an estimate for claims remaining unpaid at that date. Such estimate was calculated based on actuarial principles, which utilized the HMO's past experience in projecting the ultimate cost of claims and claims adjustment expenses incurred on or prior to December 31, 2022.

5. SUBSEQUENT EVENTS

Change in Ultimate Ownership

Subsequent to the examination date, on May 31, 2023, DFS issued a non-objection letter for a change in control of LHPNY. New investors, Halle LHP Holdings, LLC ("Halle") and TCII Long, L.P. ("TCII") joined the existing investor group, ISNP Holdings, Inc. and Pinta Partners, as controlling entities. DOH approved the transaction on June 29, 2023.

As a result of the transaction LHF is now owned 27.65% by ISNP Holdings, 22.55% by Pinta Partners, 23.45% by Halle, 20.37% by TCII, and 5.98% by various other investors, with no one individual holding more than 3.71 % ownership or otherwise exercising control of LHF.

6. VIOLATIONS, RECOMMENDATIONS AND COMMENTS

Respectfully submitted,

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Colette M. Hogan CFE
Examiner in Charge

STATE OF NEW YORK)
)SS.
)
COUNTY OF NEW YORK)

Colette M. Hogan, being duly sworn, deposes and says that the foregoing report submitted by her is true to the best of his knowledge and belief.

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Colette M. Hogan

Respectfully submitted,

_____
Gail A Ross
Director Financial Services Programs 1

STATE OF NEW YORK)
) SS
)
COUNTY OF NEW YORK)

_____
Gail A Ross

Subscribed and sworn to before me
this _____ day of_____2025

APPOINTMENT NO. **32315**

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, ***ADRIENNE A. HARRIS****, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

The INS Companies

as a proper person to examine the affairs of the

Longevity Health Plan of New York

and to make a report to me in writing of the condition of said

Plan

with such other information as they shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name and affixed the official Seal of the Department at the City of New York

this 1st day of December, 2022

Adrienne A. Harris
Superintendent of Financial Services

By: Alice W. McKenney

Alice McKenney
Deputy Bureau Chief
Health Bureau